



CITY OF RICHMOND

Department of Planning & Development Review *Staff Report*

Ord. No. 2022-258 - To direct the sale of the City-owned real estate located at 2200 Ingram Avenue, consisting of 5.108 acres, for \$500,000.00 to Oak Grove Partners, LLC for the purpose of facilitating the construction of an affordable multifamily residential development. (8th District)

To: City Planning Commission
From: Land Use Administration
Date: September 19, 2022

PETITIONER

Sharon L. Ebert, DCAO – Planning and Economic Development Portfolio

LOCATION

2200 Ingram Avenue

PURPOSE

An ordinance (i) to direct the sale of the parcel of surplus city-owned real estate located at 2200 Ingram Avenue and referred in the records of the City Assessor as Tax Parcel No. S0000863001 (the “Oak Grove Parcel”) to Oak Grove Partners, LLC (the “Purchaser”) in exchange for the purchase price of \$500,000 and (ii) to authorize the Chief Administrative Officer to execute, on behalf of the City, a purchase agreement, deed, and such other documents as may be necessary to consummate the sale of the Oak Grove Parcel and to impose the following Affordable Housing Development Obligations upon Purchaser, all of which transactional documents must first be approved as to form by the Office of the City Attorney.

Affordable Housing Development Obligations – Within five years of acquiring the Oak Grove Parcel, the Purchaser shall complete the development of (1) no less than 220 multifamily affordable dwelling units with 30-year income rent restrictions averaging no greater than 60% AMI and (2) no less than 15 townhomes/condos available for-sale to/affordable to persons/families at or below 80% AMI.

SUMMARY & RECOMMENDATION

The property is currently vacant and considered surplus city-owned real estate via the Council’s adoption of Res. No. 2021-R024, approving the 2020 Biennial Real Estate Strategies Plan. Specifically, the 2020 Biennial Real Estate Strategies Plan includes the Oak Grove Parcel in the subset of parcels labeled as “Category Two” (“Parcels + Assemblages of parcels with potential for future affordable multi-family rental units”), which is consistent with Purchaser’s proposed development/use as described within Purchaser’s unsolicited offer submitted to the City in March 2022.

Below is a summary of proposed purchase/use as set forth in the offer:

- Purchase Price: \$500,000 (In accordance with City Code, Purchaser provided a deposit in the amount of \$50,000 upon submission of the offer.)

- Proposed Use: The Purchaser proposes to demolish the vacant building formerly known as Oak Grove Elementary and transform the 5.108 acre Oak Grove Parcel into new high-quality, energy-efficient affordable housing to be sold and leased to over 235 households, as follows.
 - 220+ multifamily rental units reserved for households making an average of 60% of AMI
 - 15+ townhomes/condos for sale to families at or below 80% of AMI
- Additional Info:
 - Capital Investment – The Purchaser projects a total capital investment of over \$45M leveraging over \$20M in state and federal funds.
 - Jobs – The Purchaser projects 150+ construction jobs.
- The Purchaser (Oak Grove Partners, LLC) is led by Lynx Ventures:

Lynx Ventures is a mission-oriented firm committed to inclusive and thoughtful development, has created over 1,100 mixed-income units in the Richmond region over its 20-year history. It has successfully developed five properties under the LIHTC program, with two more underway. Lynx Ventures is experienced with public-private partner-ships, including multiple performance grant agreements in three different localities. The firm is experienced in handling complex developments, with most of its projects incorporating multiple phases, uses, income levels, lenders and investors. It has built a strong reputation as a firm that sets and achieves ambitious goals centered around community benefits.

Staff recommends approval of this request.

FINDINGS OF FACT

SITE DESCRIPTION

A 5.108 acre portion of City-owned property located at 2200 Ingram Avenue.

PROPOSED USE FOR THE PROPERTY

Affordable Multi-Family Residential Development

MASTER PLAN

The City's Richmond 300 Master Plan designates a future land use for this property as Residential, which is defined as neighborhoods "...consisting primarily of single-family houses on large- or medium-sized lots more homogeneous in nature. The development style includes houses on medium-sized and large-sized lots in a largely auto-dependent environment. Homes are setback from the street. Future developments continue and/or introduce a gridded street pattern to increase connectivity. Future single-family housing, accessory dwelling units, duplexes, and small multi-family residential buildings are built to a scale and design that is consistent with existing buildings. Bicycle and pedestrian access are prioritized and accommodated. Low residential density means that it is not possible to provide frequent transit within these areas; however, frequent transit may be found at the edges of these areas within more intense future land use designations. Many homes have driveways and/or garages, which are located off an alley behind the home if an alley is present.

Intensity: Buildings are generally one to three stories. Lot sizes generally range up to 5,000 to 20,000+ sq. ft. Residential density of 2 to 10 housing units per acre.

Primary Uses: Single-family houses, accessory dwelling units, and open space.

Secondary Uses: Duplexes and small multi-family buildings (typically 3-10 units), institutional, and cultural. Secondary uses may be found along major streets.

ZONING

R-5 Single-Family Residential

SURROUNDING AREA

The area includes primarily single-family detached dwellings and institutional uses.

Staff Contact:

Matt Welch, Senior Policy Advisor – Planning & Economic Development Portfolio, 646-5874

Christopher Nizamis, Real Estate Manager/Real Estate Strategies, 646-4316

Yvette Preston, Real Estate Analyst/Real Estate Strategies, 646-7737